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**DEPARTMENT OF STATE REVENUE**  
**Revenue Ruling #2009-04 ST**  
**March 30, 2009**

**NOTICE:** Under [IC 4-22-7-7](#), this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

**ISSUE**

**Sales/Use Tax – Medical Devices and Related Products**

A company is seeking an opinion on whether its products are subject to Indiana sales tax.

**STATEMENT OF FACTS**

The company sells various products which are used by interventional cardiologists and interventional radiologists. The products are generally single use medical devices and can only be used upon the order of a physician. Other products include a console unit for treatment of varicose veins and certain related disorders, laser-protect eyewear, a case for the console unit, a local anesthetic delivery pump, and thigh-high compression stockings.

**DISCUSSION**

Under [IC 6-2.5-5-18](#),

(a) Sales of durable medical equipment, prosthetic devices, artificial limbs, orthopedic devices, dental prosthetic devices, eyeglasses, contact lenses, and other medical supplies and devices are exempt from the state gross retail tax, if the sales are prescribed by a person licensed to issue the prescription.

(b) Rentals of durable medical equipment and other medical supplies and devices are exempt from the state gross retail tax, if the rentals are prescribed by a person licensed to issue the prescription.

(c) Sales of hearing aids are exempt from the state gross retail tax if the hearing aids are fitted or dispensed by a person licensed or registered for that purpose. In addition, sales of hearing aid parts, attachments, or accessories are exempt from the state gross retail tax. For purposes of this subsection, a hearing aid is a device which is worn on the body and which is designed to aid, improve, or correct defective human hearing.

(d) Sales of colostomy bags, ileostomy bags, and the medical equipment, supplies, and devices used in conjunction with those bags are exempt from the state gross retail tax.

(e) Sales of equipment and devices used to administer insulin are exempt from the state gross retail tax.

Durable medical equipment is defined by [IC 6-2.5-1-18](#) as equipment (other than mobility enhancing equipment) that:

- (1) can withstand repeated use;
- (2) is primarily and customarily used to serve a medical purpose;
- (3) generally is not useful to a person in the absence of illness or injury; and
- (4) is not worn in or on the body.

Even though the products sold by the company generally are restricted for use by physicians only, the products are not prescribed by a "person licensed to issue the prescription." Furthermore, even assuming the thigh-high compression stockings are prescribed by a person licensed to issue the prescription, the stockings are worn on the body and thus fail to meet the test for "durable medical equipment" under [IC 6-2.5-1-18\(4\)](#). No other statutory exemptions are applicable to the products sold by the company, and thus the products are subject to Indiana sales and use tax.

**RULING**

The company's products are subject to Indiana sales and use tax.

**CAVEAT**

This ruling is issued to the taxpayer requesting it on the assumption that the taxpayer's facts and circumstances as stated herein are correct. If the facts and circumstances given are not correct, or if they change, then the taxpayer requesting this ruling may not rely on it. However, other taxpayers with substantially identical factual situations may rely on this ruling for informational purposes in preparing returns and making tax decisions. If a taxpayer relies on this ruling and the Department discovers, upon examination, that the fact situation of the taxpayer is different in any material respect from the facts and circumstances given in this ruling, then the ruling will not afford the taxpayer any protection. It should be noted that subsequent to the publication of this ruling a change in statute, regulation, or case law could void the ruling. If this occurs, the ruling will not afford the taxpayer any protection.

*Posted: 04/29/2009 by Legislative Services Agency*

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